

BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
JUNE 10, 2009

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board and Public Hearing on the budget, rates & fees for FY 2009-2010 was held in the Boardroom of MSD's Administration Building at 2:00 P.M., Wednesday, June 10, 2009. Mr. Aceto presided with the following members present, Bisette, Bryson, Metcalf, Russell, Sobol, and Stanley. Ms. Bellamy, Mr. Creighton, Mr. Haner, Mr. Kelly and Mr. VeHaun were absent.

Others present were: Thomas Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Joseph Martin with Woodfin Sanitary Water & Sewer District, Marcus Jones with Henderson County, James Lewis, Intern with Aceto Law, Ed Bradford, Stan Boyd, John Kiviniemi, Jim Hemphill, Scott Powell, Peter Weed, Angel Banks, Ken Stines, Julie Willingham, Mike Stamey, Rodney Smith and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

Mr. Aceto asked if there were any conflicts of interest with the agenda items. No conflicts were reported.

3. Approval of Minutes of the May 20, 2009 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of the May 20, 2009 Board Meeting as presented. With no objections, the Minutes were approved by acclamation.

Mr. Clarke presented a summary of the discussions from the Board Retreat of May 8, 2009. Mr. Aceto deferred further discussion on this item to Old Business.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Ms. Karpen, Mr. Martin, Mr. Jones and Mr. Lewis.

6. Report of General Manager:

Mr. Hartye presented a scan of a plaque presented to the System Services Division from the City of Asheville Water Department in appreciation for the teamwork displayed, particularly on the Merrimon Avenue emergency job a month ago. He presented a letter from Linda Snyder commending James Beaver for excellent and professional service and an email account of a phone message received from Katy Cramer expressing appreciation for the good work of Ricky Bates from System Services.

In response to Board interest, Mr. Hartye presented a synopsis of the industry associations, their web addresses as well as some general information regarding the more frequented conference offerings, including the WEFTEC Conference to be held in October.

Mr. Hartye presented a copy of the NCLM Legislative Bulletin noting a blurb on Local Government Ethics. Mr. Aceto asked if MSD will be required to revise its Ethics Policy. Mr. Clarke stated that the Local Government Code of Ethics bill has passed the House and is now in the Senate State and Local Government Committee. The bill requires all cities and towns to adopt a code of ethics by resolution or adopted policy. The proposed legislation would require Board Members to complete a minimum of two hours

of ethics education within 12 months of election or appointment. Mr. Hartye also presented an article in the WEF Utility Executive on stimulus funding.

Mr. Hartye reported that the Right of Way Committee meeting scheduled for June 24th has been cancelled. The next Regular Board Meeting will be held July 15th at 2PM. Mr. Powell announced that a Finance Committee meeting will be scheduled this month to consider the upcoming Bond Issue.

Mr. Hartye reported that upcoming staff events and meetings include an Industry Workshop with the Pretreatment Section on June 16th at 10 AM, a Plumbers Meeting with System Services Department on July 23rd and, an Employee Appreciation Lunch on July 2nd.

7. Consolidated Motion Agenda:

a. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Resolution of Tentative Award:

Mr. Hartye reported that the American Reinvestment and Recovery Act (ARRA) project located in South Asheville is a combination of two smaller pipe rated projects that are structurally deficient clay lines, and were flagged by the Pipe Rating Program due to the number and severity of defects within the pipe segments. He further reported that the contract was advertised and the following bids were received and opened on May 21, 2009: Iron Mountain Construction Co., with a total bid of \$1,377,124.50; Mendon Pipeline, with a total bid of \$1,150,070.00; Huntley Construction Company with a total bid of \$1,070,930.00; DPI Construction with a total bid of \$895,011.75; Disaster Recovery Group, with a total bid of \$866,597.20; T&K Utilities, Inc. with a total bid of \$799,110.00; Buckeye Construction Co., Inc. with a total bid of \$790,893.50; Carolina Specialties, Inc., with a total bid of \$788,590.55; Spur Construction, LLC with a total bid of \$716,336.00 and Terry Brothers Construction Co., Inc. with a total bid of \$586,692.00. Mr. Hartye stated that staff recommends the Board adopt a Resolution of Tentative Award to Terry Brothers for this project.

b. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Resolution by Governing Body of Applicant:

Mr. Hartye reported that NCDENR requires the Resolution be adopted by the District Board and addresses the following four items: 1. The District accepts the loan and grant offer, 2. The District will adhere to the conditions of the loan and grant, 3. The General Manager is authorized to act on behalf of the District, and 4. The District will adhere to all local, state and federal laws. He stated that NCDENR has directed the District to list the full appropriated offer of \$1,029,600 even though the low bid is about half of this amount. MSD is eligible to add additional work to this project, under limited conditions, up to the full appropriated amount. Staff recommends that the Board adopt the Resolution.

c. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Capital Project Ordinance:

Mr. Hartye reported that the Capital Project Ordinance is for \$1,029,600.00. The final loan/grant amount will be adjusted down to the low bid, plus any additional amount added, via a Promissory Note and a Final Note. Staff recommends that the Board adopt the Capital Project Ordinance for this project.

d. Cash Commitment/Investment Report – Month Ended April 30, 2009:

Mr. Powell reported that the average rate of return for all investments is 2.919%, and currently MSD has \$37.5 million, of which \$11.8 million is designated for future capital outlays. He stated that of the \$8.4 million construction fund, \$4.5 million is for the Microscreen project delayed until the upcoming fiscal year. The District currently has \$22 million in Certificate of Deposits, \$9 million in NCCMT money market accounts, and \$6 million in 3 government agency fixed income investment instruments. He further stated that MSD has a weighted average maturity in its investment portfolio; yield to maturity is at 2.53%. The Series 2008A Synthetic Fixed Rate Bonds are performing in line with what was budgeted, and the 2008B Variable Rate Bonds are performing better than budgeted due to interest rates. Mr. Powell further reported that in a conversation with Robert Hobson with Bank of America, MSD's termination fee for the swap is at \$2 million. In April the termination fee was at \$4 million. He explained the difference in these numbers is due to treasury bonds going up from 3.4% to 3.9%.

Mr. Bissette moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Stanley seconded the motion. Mr. Sobol asked if the stimulus money can be used for right of way compensation on the Long Shoals Road portion of the Lake Julian project. Mr. Bradford stated that per federal guidelines, MSD cannot be reimbursed for right of way compensation. With no further discussion, Mr. Aceto called for the question. Roll call vote was as follows: 7 Ayes; 0 Nays.

8. Public Hearing – Consideration of Resolution Adopting the Final Budget and Rates and Fees for Fiscal Year 2009-2010:

MINUTES OF PUBLIC HEARING

At 2:27 PM, Mr. Aceto declared the Public Hearing open on the Budget, Rates & Fees for Fiscal Year 2009-2010.

Mr. Hartye presented the Resolution adopting the Final Budget and Rates and Fees for Fiscal Year 2009-2010. In addition, he presented the final budget book, which includes goals and objectives, accomplishments, performance figures, along with the information included in the Preliminary Budget. He stated that the public hearing was being held a week early since the budget must be adopted prior to June 15th deadline and that there are no changes from the preliminary to the final budget. Ms. Karpen asked if the budget hearing was advertised. Mr. Hartye said yes. Mr. Clarke stated the Board is only required to hold a public hearing if a certain percentage of its bond holders ask for it. No bond holders requested a hearing, but the Board has traditionally held a public hearing at its June meeting.

Mr. Aceto called for public comment on the proposed Budget, Rates & Fees for Fiscal Year 2009-2010. With no comment, Mr. Aceto declared the public hearing closed at 2:32 PM.

Mr. Aceto called for a motion to approve the Resolution adopting the Final Budget, Rates & Fees for FY 2009-2010. Mr. Bissette moved that the Board adopt the FY 2009-2010 budget, rates & fees as presented. Mr. Stanley seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 7 Ayes; 0 Nays.

9. Old Business:

Regarding the Retreat Minutes, Mr. Aceto stated that from this document he, Mr. Clarke and Mr. Hartye will develop a series of Board Goals & Objectives that will be directed to the appropriate Board Committees.

10. New Business:

Mr. Bryson asked what the transfer is to the insurance account on the budget. Mr. Powell stated that this is the amount the Board agreed to pay for MSD's health insurance plan in 2009/2010, which was endorsed by the Personnel and Finance Committees. He explained that this is the employer contribution, and the reason it shows as a transfer is because the insurance funds are internal service funds, and the Budget Resolution is a legal documents that shows the outflow and inflow of funds.

11. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:45 PM.

Jackie W. Bryson, Secretary/Treasurer

MSD

Regular Board Meeting

Metropolitan Sewerage District
of Buncombe County, NC

AGENDA FOR 6/10/09

✓	Agenda Item	Presenter	Time	
	Call to Order and Roll Call	Aceto	2:00	
	01. Inquiry as to Conflict of Interest	Aceto	2:02	
	02. Approval of Minutes of the May 20, 2009 Board Meeting.	Aceto	2:07	
	03. Discussion and Adjustment of Agenda	Aceto	2:12	
	04. Informal Discussion and Public Comment	Aceto	2:14	
	05. Report of General Manager	Hartye	2:16	
	06. Report of Committees: None	Aceto	2:30	
	07. Consolidated Motion Agenda		2:45	
	a. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Resolution of Tentative Award	Hartye		
	b. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Resolution by Governing Body of Applicant.	Hartye		
	c. Consideration of Lake Julian Sewer Rehabilitation – ARRA – Capital Project Ordinance	Hartye		
	d. Cash Commitment/Investment Report – Month Ended April 30, 2009.	Hartye		
	08. Public Hearing: Consideration of Resolution Adopting the Final Budget and Rates & Fees for Fiscal Year 2009-2010.	Aceto	3:00	
	09. Old Business:	Aceto	3:15	
	10. New Business:	Aceto	3:20	
	11. Adjournment (Next Regular Meeting – July 15, 2009)	Aceto	3:30	

APPROVAL OF MINUTES

**BOARD OF THE METROPOLITAN SEWERAGE DISTRICT
MAY 20, 2009**

1. Call to Order and Roll Call:

The regular monthly meeting of the Metropolitan Sewerage District Board was held in the Boardroom of MSD's Administration Building at 2:00 P.M., Wednesday, May 20, 2009. Mr. Aceto presided with the following members present: Bellamy, Bissette, Bryson, Creighton, Haner, Kelly, Metcalf, Sobol and VeHaun. Mr. Stanley and Mr. Russell were absent.

Others present were: Thomas Hartye, General Manager, William Clarke, General Counsel, Gary McGill with McGill Associates, Leah Karpen with the League of Women Voters, Joseph Martin with Woodfin Sanitary Water & Sewer District, Ed Bradford, Dennis Lance, Jim Hemphill, Scott Powell, Peter Weed, Angel Banks, Ken Stines, Kevin Johnson, Monty Payne, and Sondra Honeycutt, MSD.

2. Inquiry as to Conflict of Interest:

Mr. Aceto asked if there were any conflicts of interest with the agenda items. No conflicts were reported.

3. Approval of Minutes of the April 15, 2009 Board Meeting:

Mr. Aceto asked if there were any objections to approving the Minutes of the April 15, 2009 Board Meeting as presented. With no objections, the Minutes were approved by acclamation.

4. Discussion and Adjustment of Agenda:

None

5. Informal Discussion and Public Comment:

Mr. Aceto welcomed Ms. Karpen and Mr. Martin.

6. Report of General Manager:

Mr. Hartye reported the District opened a satellite office at the Buncombe County Building Permits office at 30 Valley Street in October 2008. The County requested this to facilitate a one-stop location for County issued building permits. He stated that Cecilia Cardascio, who has worked as a connections coordinator for about eight years was assigned to the site with access via internet to the MSD database and mapping. He further stated that both the County and MSD have only positive comments about the satellite facility, and the facility has been very well received by those getting permits. The City Building Permits office is only a short distance away and the Satellite Office has facilitated interaction with them as well. The District considers this endeavor a success and intends to continue providing this service.

Mr. Hartye presented two notification letters from NCDENR regarding the approval of stimulus funds for the Lake Julian sewer rehabilitation project. This project is currently out to bid and staff will bring an award recommendation to the June Board meeting. He stated that the preliminary estimate for the project is \$1,029,600. The project is eligible for a 50% loan (0% interest @ 20 years) and 50% principal forgiveness. He expressed his appreciation to Ed Bradford, Mike Stamey, Roger Watson, Shaun Armistead, Sharon Walk and Teresa Gilbert for putting together the 400 plus pages of application materials for this effort.

Mr. Hartye presented articles from Southern City on a Blue Ribbon Committee concerning bond insurance, an AC-T article on Mountain Building Panel, a Mountain Express article on Tupelo Honey back-up, and an AC-T article on the same back-up.

Mr. Hartye reported that the next regular Board Meeting and Public Hearing on the Budget for FY2009-2010 will be held June 10th at 2PM. The May 27th Right of Way Committee meeting has been cancelled and will meet again June 24th at 9AM. A Finance Committee meeting will be scheduled sometime in June for a potential new bond issue.

7. Report of Committees:

Personnel Committee

Mr. VeHaun reported the Personnel Committee met April 29, 2009 to hear a presentation by Mr. Hemphill on Human Resource activities. Mr. Hemphill presented a chart showing MSD's turnover rate of 1% during the last year, and presented information regarding MSD's Wellness program; future programs such as an increase of "3 Streams Medical Services", spousal buyout of MSD's insurance plan, walking program and tobacco cessation. He also provided information about "Succession Planning" and gave an overview of various employee relations activities. With regard to the Cost of Living/Merit Pay Plan, Mr. VeHaun reported that staff is not asking for an increase this year, but is asking for a 16.5% (\$215,000) full funding of the health insurance plan. Following consideration of staff's request, the Personnel Committee recommends the Board approve 16.5% full funding for increases in claim liabilities and fees.

CIP Committee

Mr. Sobol reported the CIP Committee met April 30, 2009, which was well attended by Board Members and representatives from the various municipalities. He stated that Mr. Bradford gave an interesting presentation on the highlights of the current and proposed Capital Improvement Program, highlighting the significant progress made over the last 10 years in the reduction of SSO's; from a high of 288 in FY 2000 to a low of 41 in FY 2008. Also, Mr. Hartye gave a status report on Reimbursement Projects, and Mr. Bradford discussed MSD's rehabilitation program priorities and review of the 10-year CIP document. Mr. Sobol further reported that the CIP Committee endorsed the Capital Improvement Program Budget of \$20,432,008 for FY 2010.

Finance Committee

Mr. Kelly reported that the Finance Committee met May 5, 2009. A presentation was given by Mr. Cole of Davenport and Co., LLC on Capital Funding Options along with reports by Scott Powell on Third Quarter Budget to Actual Review, Self-Insured Health Plan Nine Month Report, Third Quarter City of Asheville Billing Report, proposed FY09-10 Budget and Sewer Rates and Fees, and Standby Purchase Agreement. Mr. Kelly further reported that the Committee endorsed the recommendation of the Personnel Committee for a 16.5% (\$215,000) full funding for insurance plan increases, endorsement of the \$43,128,912 budget for FY09-10 and 3.75% rate increase, and adopted the proposed Standby Bond Purchase Agreement.

8. Consolidated Motion Agenda:

a. Consideration of Developer Constructed Sewer Systems: Creekside Village; Little Beaver Day Care (North); Gorilla Express Car Wash and Northridge Commons Phase 1, 11 and 111:

Mr. Hartye reported that staff recommends acceptance of the Developer Constructed Sewer Systems. All MSD requirements have been met.

b. Consideration of Self-Insured Health Plan and Cost of Living/Merit Pay Plan:

Mr. Hartye reported that Staff and the Personnel Committee recommend approval of a 16.5% full funding of the Self-Insured Health Plan increase in the amount of \$215,000 and no Cost of Living/Merit salary increase.

c. Third Quarter Budget to Actual Review:

Mr. Hartye reported that on the Revenue side, Domestic User Fees are slightly below 75% due to a reduction in residential consumption as well as signs of recessionary constraints on commercial usage. On the expenditures side, the CIP is less due to delay of the Microscreen project.

d. Third Quarter City of Asheville Billing Report:

Mr. Hartye reported that consumption data shows a decrease of nearly 2.5%, which is attributed to a reduction in residential consumption.

e. Standby Bond Purchase Agreement:

Mr. Hartye reported that the Standby Bond Purchase Agreement is for the 2008A and 2008B Series bonds. He stated that this is an agreement with a third party, typically a bank, in which the bank agrees to purchase variable rate bonds tendered for purchase in the event the bonds cannot be remarketed. He further reported that staff obtained informal quotes from three (3) banking institutions, Wachovia (Wells Fargo), BB&T and Bank of America. As a result, staff recommends and the Finance Committee endorses the renewal of the existing Standby Bond Purchase Agreement with Bank of America for a period of two years at a cost not to exceed \$250,000 per year.

f. Cash Commitment/Investment Report – Month Ended March 31, 2009.

Mr. Hartye called on Mr. Powell for a report. Mr. Powell reported that as of the end of March, the District had \$37,397,432. He noted that the amount committed for Construction Funds (9,645,307) does include the \$5 million for the Microscreen Project that was delayed until the next fiscal year. Regarding Investment Performance, Mr. Powell reported that the Weighted Average Maturity is about 211 days, meaning that most of MSD's investments are within a 211 day period. However, there is one CD that is in excess of one year, which is 365 days. He further reported the average rate of return is about 2.53% and that four years ago, two benchmarks were set; a 6 Month T-Bill and a NCCMT Cash Portfolio, and as shown, the yield to maturity is in excess of both benchmarks. Mr. Powell presented graphs showing the performance history of both the Series 2008A Synthetic Fixed Rate Bonds and the 2008B Variable Rate Bonds. He reported that MSD is on target as it pertains to the 2008A and the 2008B Series are well below the 4% budget due to the economics of the variable rate market. He stated that April showed a .51% expenditure and during the last two weeks the bonds have reset at .40%, which means it is good to be in the variable rate market now as it pertains to cash outflow to MSD in relation to debt service. With regard to synthetic fixed rates, Mr. Sobol asked what would happen if Bank of America suddenly went under. Mr. Powell stated that as far as the swap is concerned, the swap does have outs for MSD, and if Bank of America goes under and there are no remedies to MSD, then MSD would be at the mercy of the variable rate market. Mr. Clarke stated that if MSD defaulted on the liquidity agreement, MSD would not have an obligation to pay Bank of America; it would just have to replace the agreement.

Ms. Bellamy moved that the Board adopt the Consolidated Motion Agenda as presented. Mr. Kelly seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

9. Consideration of Adoption of the Preliminary Budget for FY 2009-2010 and Schedule of Sewer Rates & Fees:

Mr. Powell reported the Preliminary Budget is \$43,128,912 and consists of a \$20.4 million CIP, \$8.5 million Debt Service, \$13.3 million Operations and Maintenance, which includes the \$215,000 increase in funding of the self-insurance health plan, and \$806,755 for Capital Equipment, which is higher than last year due to the replacement of a pumper truck in the coming year. He further reported that the Budget includes a proposed 3.75% rate increase, but Facility and Tap fees will remain at FY09 levels. He stated that MSD is staying with its 20-year Industrial Parity Plan, which has a 4.3% increase in industrial revenues. Mr. VeHaun asked what kind of problems, if any, would a delay in the rate increase cause. Mr. Powell stated that a delay would have a significant impact on the debt coverage ratio; doubling the rate increase for the next fiscal year and beyond. Mr. Hartye stated that MSD is looking to go out for a new bond issue, and typically the rating agencies look at consistency in a business plan and there would be some explaining to do if there was a zero rate increase and MSD went out for new money as well. Mr. VeHaun asked how much the monthly increase will be. Mr. Hartye said .85¢ per month for the average residential customer. Ms. Bellamy stated that a combination of water and sewer would be approximately \$2.00 per month. Mr. Kelly moved that the Board adopt the Preliminary Budget for FY2009-2010 and the Schedule of Sewer Rates and Fees as presented by staff and endorsed by the Finance Committee. Mr. Creighton seconded the motion. With no discussion, Mr. Aceto called for the question. Roll call vote was as follows: 10 Ayes; 0 Nays.

10. Old Business:

Mr. Aceto asked if a summary of the Retreat was available. Mr. Clarke stated that a report will be available prior to the next Board meeting.

11. New Business:

None

12. Adjournment:

With no further business, Mr. Aceto called for adjournment at 2:30 PM.

Jackie W. Bryson, Secretary/Treasurer

REPORT OF GENERAL MANAGER

MEMORANDUM

TO: MSD Board
 FROM: Thomas E. Hartye, P.E., General Manager
 DATE: June 4, 2009
 SUBJECT: Report from the General Manager

- KUDOS

- Attached is a scan of the plaque presented to our System Services Department from the City of Asheville Water Department in appreciation for the teamwork displayed, particularly on the Merrimon Ave. emergency job a little over a month ago.
- Attached is a letter from Linda Snyder commending James Beaver for excellent and professional service.
- Attached is an email account of a phone message received from Katy Cramer expressing appreciation for the good work of Ricky Bates from System Services.

- Industry Conferences Synopsis

In response to Board interest, attached is a synopsis of the industry associations, their website addresses as well as some general information regarding the more frequented conference offerings. Please let Sondra or I know of any interest you may have or any assistance that we may provide.

- Reading

- NCLM Legislative Bulletin 5/22/09. Please note Local Government ethics blurb.
- WEF Utility Executive article on stimulus funding.

- Board/Committee Meetings

The next ROW Committee will be held June 24th at 9 AM. The next Regular Board Meeting will be held July 15th at 2pm.

- Staff Events/Meetings

- Industry Workshop with Pretreatment Section June 16 10 am.
- Plumbers Meeting with System Services Dept. July 23rd.
- Employee Appreciation lunch – Management serves employees – July 2nd.

CITY OF ASHEVILLE
WATER RESOURCES DEPARTMENT

Presents This Plaque To

THE MEN AND WOMEN OF THE
METROPOLITAN SEWERAGE
DISTRICT

FOR YOUR OUTSTANDING DISPLAY
OF PARTNERSHIP & TEAMWORK



THANKS!

MAY 2009

Sunday, May 17, 2009

Re: Customer Service

This letter is to commend James Beaver for excellent and professional service. Last week I had a sewerage problem and did not know what to do, who to call or where to turn. I was advised by the Woodfin Water District to call MSD...that same afternoon Mr. Beaver came out and the following morning arrived to see if he could discover the problem. I was trying to 'brace' myself for a huge expense; however, Mr. Beaver was able to correct the problem in a relatively short period of time.

My letter is just to say 'thank you' and to say Mr. Beaver is [in my opinion] a very real asset to MSD...his knowledge and experience really made my day and I just wanted to let you know.

Thank you for your help,

Linda Snyder
22 McPherson Street
Asheville, NC 28804
[las2007@bellsouth.net]

Hartye, Tom

From: Hemphill, Jim
Sent: Wednesday, May 13, 2009 6:36 PM
To: Hartye, Tom
Subject: Kudos'- Rick Bates

Tom,

I received a phone message from Katy Cramer of Victoria Urological Services of 100 Victoria Road.

She called to express her appreciation for the work that Ricky Bates, one of System Services First Responders, had done last night at her business.

She described Ricky as "absolutely wonderful, and that he could not have been nicer or more helpful." He cleaned up some debris from a cleanout, stayed to work with Rooter King to identify the location of a break in the line and answered all of her questions.

"I know he probably didn't have to do all that, but he was wonderful, and I think you should know how much I appreciated him last night."

Jim

Jim Hemphill
HR Director, MSD of Buncombe County
828-225-8258

National and Local Organizations

NACWA National Association of Clean Water Agencies (formerly AMSA) www.nacwa.org/

WEF Water Environment Federation www.wef.org/

AWWA American Water Works Association www.awwa.org/

NC AWWA~WEA NC state organization of AWWA and Water Environment Association
www.ncsafewater.org/

UNC SOG School of Government (N.C.) www.sog.unc.edu/

NCLM NC League of Municipalities www.nclm.org/

WEFTEC Water Environment Federation Technical Exhibition & Conference www.weftec.org/

Conferences & Education

WEFTEC

October

Large exhibit floor of treatment and collection system equipment. Technical papers by engineers and scientists. Small amount of management track papers. Conference geared toward engineers, designers, operators, scientists, regulators and managers.

WEF Collection System Conference

June

Large exhibit floor of collection system maintenance and construction equipment and lining technologies. Technical and management and operations papers given by consultants, engineers and operations personnel and management. Conference geared toward engineers, equipment manufacturers, regulators, managers and operators.

AWWA/WEF Utility Management Conference

February

Joint Management Conference with papers on management trends and failures and successes as well as topics such as rates and rate structures, capital financing, strategic planning, benchmarking, public relations etc. Conference geared toward utility managers, public officials, regulators, and consultants.

AWWA Annual Conference (Public Officials Program)

June

Program designed for and by public officials, geared strictly for their interests as water/sewer board commissioners, mayors and councilpersons. Program develops and enhances critical skills and abilities necessary to achieve excellence in organizations, and sets to enhance communication and sharing between public officials from diverse communities. Large exhibit area for water and wastewater equipment and service providers

NACWA Summer & Annual Meeting

July

Conference deals with current political and regulatory issues regarding the environment and the wastewater and water business.

NACWA Winter Conference

February

Conference deals with current political and regulatory issues regarding the environment and the wastewater and water business.

NACWA/WEF Clean Water Policy Forum

May

Conference deals with current political and regulatory issues regarding the environment and the wastewater and water business. Geared toward policy makers, public officials and utility managers.

NC AWWA/WEA Annual Conference

November

Conference covers technical, operational, and management tracks. Modest exhibition floor in comparison to WEFTEC.

NC AWWA/WEA Spring Conference

April

Smaller sized conference than annual event covering technical, operational and management tracks. Modest exhibition floor.

UNC School of Government

On-going education with select courses provided

Provides research, consulting, teaching, and facilitation to improve environmental governance in North Carolina. Environmental governance includes the efforts of institutions to manage the environmental resources they oversee and to address the impact of their own operations on the environment. State and local government, the federal government, regional planning organizations, nonprofits, other academic institutions, the media, and private firms all play an important role in the complex web of laws and

relationships that affect the state's environment. The School of Government often serves as a convener, facilitator, and neutral mediator between two or more of these players. Sampling of courses available;

- Customized Board Trainings
- Water and Sewer Infrastructure Funding Strategies
- Ethical Issues in Local Government
- Manager Evaluation and Board Assessment
- Rules of Procedure Workshop
- Regional LeaderShop
- Strategic Planning and Capital Budgeting for Local Governing Boards

League of Municipalities Annual Conference

October

Features practical workshops, innovative ideas and networking.

League of Municipalities - other training opportunities

- Essentials of Municipal Government - Training program for municipal elected officials in North Carolina. Co-sponsored by the League and the UNC-Chapel Hill School of Government, this two-and-one-half-day course covers the basics of municipal governance. Classes cover the powers and responsibilities of a municipality, forms of government, responsibility of elected officials, finance and many other topics.
- Emerging Leaders workshop - Building Your Capacity to Lead is a four-day workshop designed specifically to provide emerging public sector leaders feedback on their leadership style, support in developing a personal leadership plan, and coaching to lead more effectively within their organizations.
- Code of Ethics Training – schedule is not yet developed, however, this may become required training if passed by General Assembly of NC.

NC State Ethics Commission - training workshops

Frequent scheduled dates

Basic ethics education for public servants, elected officials, board or commission appointees

This week's developments

Congratulations to Senator Dan Blue

Our congratulations to Senator Dan Blue, who was sworn in as a senator this week. He joins the Senate after a distinguished career in the House which included service as House Speaker. We look forward to working with Senator Blue.

Broadband Study Bill to be heard in House Public Utilities Wednesday

➤ *SB 1004 – The “Level Playing Field” Broadband Bill*, which has passed the Senate, will be heard in House Public Utilities Committee next Wednesday. Currently, SB 1004 calls for a study of local government owned and operated communications services, including a comparison of communications services by private providers. We will continue to follow this issue very closely.

Cities can object to location of ABC Stores (on 2009 League Advocacy Agenda)

➤ *The Senate has approved HB 186 -- Local Government Objections to ABC Stores*. This bill, now approved by both bodies, prohibits a local ABC board from locating an ABC store in a municipality if the municipality adopts a resolution objecting to the location that is based on information and evidence presented to governing board at a public hearing. The ABC board, however, may ask the state ABC Commission to approve the location despite the municipality's objection.

Local government ethics

➤ *The House has approved HB 1452 - Local Government Code of Ethics*, and the bill is now in the Senate State and Local Government Committee. The bill requires all cities and towns to adopt a code of ethics by resolution or adopted policy and specifies what items are to be addressed in the policy or resolution. All elected municipal officials would be required to complete a minimum of two hours of ethics education within 12 months of election or appointment. The requirements would also apply to counties, local boards of education, unified governments and sanitary districts.

Public financing of municipal campaigns

➤ *HB 120 --Public Municipal Campaigns*, which has passed the House, will be considered by the Senate next week (on calendar for May 27). The bill establishes a pilot program for publicly financed municipal election campaigns. It would apply to the Town of Chapel Hill and any municipality above 50,000 in population that request to participate and are selected by the State Board of Elections.

Heard in the legislative halls

We thank John Gray and Lexington citizens for coming to Raleigh May 13 to support fairness in annexation. Their contacts with 14 legislators made a very strong case for reasonable annexation policy. We appreciate their time and support.

Federal Stimulus Spotlight

Community Development Block Grant (CDBG) deadlines:

Notice of information regarding applications for the State's non-entitlement CDBG funding was released this week by the N.C. Department of Commerce's Division of Community Assistance (DCA). The State received \$12 million in ARRA funding. Application information will be made available on the DCA website May 29, 2009 at www.nccommerce.com/en/CommunityServices. Applications will be due to DCA on June 12, 2009 at 5:00 p.m.

Due to the short turn-around time on these non-entitlement CDBG applications, the League urges non-entitlement cities to revisit prior unfunded applications for submission, noting whether those projects fit ARRA criteria. DCA encourages applications that would fund (1) infrastructure providing basic services to residents or (2) activities promoting energy efficiency through rehabilitation or retrofitting of existing buildings. DCA has proposed to allocate \$3 million of its allocation for housing, \$5.87 million for infrastructure, \$2 million for special projects, and the remainder for administrative cost.

Water/sewer program deadlines

Water and sewer program applicants whose projects appeared on the State of North Carolina's Intended Use Plan (IUP) and did not receive funding in the first round of ARRA funding awards have until June 3, 2009 to submit their full applications to the N.C. Department of Environment and Natural Resources (DENR). Two programs received ARRA funding: the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund. In February, both programs solicited projects to be listed on the IUP. Only projects listed on the State IUP are eligible for funding, and only after applicants submit a full application to DENR.

UTILITY

EXECUTIVE

Can We All Get Along?

Using a technical advisory group to avoid conflict in POTW expansions

Carl F. Fischer, Pavel Hajda, and Steven G. Zehner

Publicly owned treated works (POTWs) and environmental advocacy groups share a common goal: protection of the environment. While environmental advocacy groups would like to see faster progress in water quality improvements, POTW owners are trying to do as much as they can with limited financial resources. Sometimes this obligation to be fiscally responsible makes POTW owners appear — in the eyes of the environmental advocacy groups — to be against water quality improvements.

Forming a technical advisory group (TAG) can be a way for POTWs to work with stakeholders, such as advocacy groups, to formulate a mutually acceptable plan to expand. In Illinois, this approach has been used successfully on several projects. In one, the Village of Itasca formed a TAG to work with these groups to take a holistic approach to improving water quality. They developed an environmentally sound plan in which the expansion of the wastewater treatment plant was only one component. The plan includes stormwater management measures that are targeted to improve water quality in Salt Creek and its tributary, Spring Brook. It also includes measures to require new housing and commercial developments to employ stormwater best management practices and conservation design techniques to further protect the quality of Itasca's waterways.

The experience at Itasca was a good one for both parties. Utility managers were left with more admiration for what the environmental advocacy

groups were trying to accomplish, and the groups seemed to share mutual respect.

continued on p. 2

Stimulus Funding Prompts Stiff Competition for SRF Funds

Enacted Feb. 17 by President Barack Obama, the American Recovery and Reinvestment Act (ARRA) provides a historic boost in federal funding for water and wastewater infrastructure. Yet as states prepare to disburse the stimulus funding in a timely manner as prescribed by the law, the financial needs of water and wastewater agencies substantially dwarf the funds allocated by the act. As a result, agencies are scrambling to

comply with what in some cases are stringent deadlines for requesting funding from State Revolving Fund (SRF) programs.

ARRA appropriated \$4 billion for the Clean Water SRF and \$2 billion for the Drinking Water SRF. Of these amounts, the states administering the SRF programs must allocate at least half for subsidization, either in the form of grants, forgiveness of principal, negative interest loans, or a combination of these.

continued on p. 5

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Can We All Get Along? continued from p. 1

Expected Growth in Itasca

The village of Itasca is located in DuPage County, about 40 km (25 mi) northwest of Chicago. The region is anticipating major growth, especially with the expansion of O'Hare International Airport. As part of that project, the Elgin-O'Hare Expressway will be extended to the airport to provide for the first time a direct access from the west, which is expected to lead to significant increases in residential population and commercial employment.

To prepare for the anticipated development, Itasca initially set out to expand its 9800-m³/d (2.6-mgd) POTW. But when the Illinois Environmental Protection Agency (IEPA) announced that it was developing total maximum daily loads (TMDLs) for dissolved oxygen in Salt Creek, the receiving stream, and the nearby east branch of the DuPage River, Itasca postponed its expansion project. It took 6 years for IEPA to prepare the TMDLs, during which time Itasca started having second thoughts about its original plan. Itasca began to question the wisdom of investing in a site that is too small, has floodplain issues, and is in close proximity to residents who objected to the plant's noise and odor. After reviewing several alternatives, the village decided to relocate the POTW to a new site.

In August 2006, Itasca began preparation of a facility plan amendment, which was tentatively approved by IEPA in May

2008. At press time, IEPA is expected to issue its formal approval of the amendment in the second quarter of 2009.

How the Antidegradation Rule Changed Things

Until the late 1990s, a POTW owner in Illinois typically did not confer with third-party stakeholders about plans to expand. The POTW owner usually submitted a facility plan to IEPA, along with an application for a National Pollutant Discharge Elimination System (NPDES) permit modification. It was not until the public notice period of the draft permit that the POTW owner communicated with third-party stakeholders. Even then, it was only if the stakeholders filed an objection or requested a public hearing and comments were submitted within the public notice period.

The adoption of the state's 2002 Anti-Degradation Rule changed this. The rule requires IEPA to conduct an antidegradation assessment of any proposed increase in pollutant loading on a receiving stream from any new or existing point source discharge. The assessment must demonstrate that the discharge will not degrade water quality below existing water quality standards or, if it does, the increased discharge must be justified by an overriding socioeconomic benefit.

Soon after the rule's passage, more third-party comments on draft NPDES permits were received and became well coordinated. In particular, they pressured

Suggestions Made by Environmental Advocacy Groups at Initial Meeting

- Itasca should compare the actual effluent loadings from the existing plant to that of the new plant to improve water quality, or at least not worsen it.
- Itasca should consider reusing effluent for irrigation of golf courses and DuPage County Forest Preserve District properties.
- Itasca should consider reusing effluent for irrigation of golf courses and DuPage County Forest Preserve District properties.
- Itasca should consider improvements to stormwater runoff quality in lieu of higher degrees of treatment.
- Itasca should consider creating or restoring wetlands.

cooperative attitude changed the owners' opinions of the environmental advocacy groups, who became allies, rather than opponents.

The results of the TAG process verified this. The environmental advocacy groups were reasonable and rational.

They were truly helpful in formulating a plan that provided additional environmental benefits at an affordable price. The village concluded that the added benefits would enhance the quality of life in Itasca and were well worth the 6% increase in cost for the alternatives.

Carl F. Fischer is wastewater department manager, Pavel Hajda is a senior wastewater process engineer, and Steven G. Zehner is environmental department manager at Baxter & Woodman, Inc. (Crystal Lake, Ill.).

Stimulus Funding Prompts Stiff Competition for SRF Funds continued from p. 1

Additionally, 20% of the funding must go toward "green" infrastructure projects, improvements to boost water or energy efficiency, or other environmentally innovative activities. Ultimately, projects receiving SRF money from ARRA that are not under construction or contract within 1 year of the law's enactment will lose their funding. Lending even more urgency to the process, the U.S. Environmental Protection Agency recommends that states select projects that are likely to begin construction by June 17.

When Needs Exceed the Funding

Though large by historical standards, the new funding for the SRF programs pales in comparison to the identified needs of water and wastewater utilities around the country. As Congress debated ARRA, The U.S. Conference of Mayors (Washington, D.C.) on Jan. 17 identified thousands of "ready-to-go" infrastructure projects across the nation, including more than 4000 water and wastewater infrastructure projects valued at approximately \$23.5 billion.

To use one municipality as an example, the Philadelphia Water Department has identified 74 "shovel-ready" water and wastewater projects worth a combined total of \$202 million, said John DiGiulio, a department spokesman. Yet the entire state of Pennsylvania is scheduled to receive \$221 million in SRF funding from ARRA.

Agencies Face Stiff Competition

Pent-up demand for funding is prompting stiff competition for ARRA's

SRF funds. This is certainly the case in Indiana, which is slated to receive roughly \$94 million for its Clean Water SRF and \$27 million for its Drinking Water SRF. Indiana communities were

Though large by historical standards, the new funding for the SRF programs pales in comparison to the identified needs of water and wastewater utilities around the country.

required to apply for a share of the state's extra SRF funds by Feb. 27. Preliminary engineering reports were due to the Indiana Finance Authority — the body that oversees the state's SRF program — by mid-March. "It's a very rushed and compact timeline," said Bill

McElhane, director of Marion (Ind.) Municipal Utilities.

Marion Municipal Utilities is seeking funding to replace lime-slaking units at its 45,420-m³/d (12-mgd) drinking water facility and a booster pump station on its distribution system, as well as for efforts to address combined-sewer overflows (CSOs). The lime-slaking units and the pump station each carry an estimated price tag of \$500,000, McElhane said. The collection system improvements, however, will cost much more. At press time, the agency was in the process of finalizing an estimated \$95 million plan for addressing CSOs. The agency is seeking SRF funding to help finance a \$5.5 million project involving sewer separation and the construction of additional storage in the collection system — two elements of the plan.

For Marion Municipal Utilities, the prospect of receiving ARRA funding is all the more urgent in light of recent economic hardships faced by its community. Marion has fallen on tough economic times as factories have closed, unemployment has increased, and the city's population has declined roughly 10% during the past decade to about 30,000. Yet heavy competition for the new SRF funding dampens the agency's expectations.

For starters, any funding received by the agency is almost certain to be in the form of loans, rather than grants, McElhane said. Despite its recent economic difficulties, Marion is not expected to qualify for grants under Indiana's SRF program, because the monthly rates

Additional Resources

The following Web links provide helpful information regarding the American Recovery and Reinvestment Act (ARRA):

- Water Environment Federation Stimulus Funding Resources, www.wef.org/governmentaffairs/stimulusfunding.
- U.S. Environmental Protection Agency (EPA), www.epa.gov/recovery.
- EPA Clean Water State Revolving Fund home page, www.epa.gov/own/cwfinance/cwsrf.
- EPA Drinking Water State Revolving Fund home page, www.epa.gov/safewater/dwsrf/index.html.
- The White House, www.recovery.gov.
- The American Society of Civil Engineers, <http://content.asce.org/gi/TheAmericanRecoveryandReinvestmentActPAGE.html>.
- List of Clean Water State Revolving Fund contacts, www.epa.gov/own/cwfinance/cwsrf/agency.pdf.
- Contact information for U.S. Department of Agriculture Rural Development offices, www.rurdev.usda.gov/recd_map.html.
- U.S. Department of Housing and Urban Development Community Development Block Grants, including a link to state allocations under ARRA, www.hud.gov/recovery/cdblock.cfm.

paid by the agency's customers are likely to be below the state's threshold for determining who is eligible for grants.

"It just doesn't appear that we're going to get much" of the new SRF funding, McElhane said. "We don't hold out much hope."

When Green May Be Golden

Indiana, of course, is not the only state in which competition for new SRF funding is fierce. In Washington state, which is expected to receive \$68.2 million for its Clean Water SRF and \$41.8 million for its Drinking Water SRF, utilities have had to consider their options carefully as they determine for which projects they will seek funding, said Dave White, strategic policy planner in the wastewater treatment division of the King County (Wash.) Department of Natural Resources and Parks. Such caution has been particularly important for agencies considering whether to seek stimulus funding for projects that are not already on the SRF request list

maintained by the Washington State Department of Ecology, the agency that administers the state's SRF program.

Entities applying for SRF funding must comply with multiple prerequisites pertaining to such matters as environmental reviews and facility plans, White said. Because agencies were given only a few weeks to submit additional project applications to Washington's SRF program, conducting these tasks within such a short period proved difficult. "It's a fairly rigorous process with a fairly narrow window," White said.

Moreover, the state decided that it would provide grants only to economically disadvantaged areas, effectively denying grants to King County. For these reasons, King County decided not to apply for SRF funding for a traditional wastewater project, White said.

Instead, King County opted to request SRF funding for a project that it believes will qualify as "green infrastructure." The county is pursuing this course because the state may offer sub-

sidized loans for green infrastructure projects, White said. At press time, King County was preparing to apply for SRF funding for a cogeneration project to be constructed at its 503,000-m³/d (133-mgd) West Point Treatment Plant. The project would use gas collected from the plant's digesters to power cogeneration engines that would then produce electricity for use onsite or to be sold to an electric utility.

Expected to cost more than \$20 million, the cogeneration project would help King County meet its goal of improving the environment, White said. Because of the historically low cost of energy in the Pacific Northwest, however, the project has been a "close call" economically for the county absent any subsidies, White said. "It's one of those projects that has always been a little bit on the edge as far as penciling out but has many environmental benefits," he said.

Non-SRF Funding

Other federal programs that may benefit water and wastewater agencies also received funding under ARRA. For example, the act provides nearly \$1.4 billion for grants and loans to small communities for water and wastewater projects as part of the Rural Utilities Service program conducted by the U.S. Department of Agriculture. Other federal programs receiving funding that potentially could be tapped by water and wastewater agencies include Community Development Block Grants administered by the U.S. Department of Housing and Urban Development and Energy Efficiency and Conservation Block Grants administered by the U.S. Department of Energy.

—Jay Landers, UE

CONSOLIDATED MOTION AGENDA

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

BOARD MEETING DATE: June 10, 2009

SUBMITTED BY: Tom Hartye, P.E. - General Manager

REVIEWED BY: Billy Clarke – District Counsel

PREPARED BY: Ed Bradford, P.E. - Director of CIP
Mike Stamey, P.E. - Project Manager

SUBJECT: Lake Julian Sewer Rehabilitation, American Reinvestment and Recovery Act of 2009 (ARRA): Resolution of Tentative Award, Federal Project No. 2W370391-11, State Project No. E-SRF-T-09-0184

BACKGROUND: This ARRA project is a combination of two smaller pipe rated projects. These are structurally deficient clay lines, and were flagged by the Pipe Rating Program due to the number and severity of defects within the pipe segments. This project is located in South Asheville, and is comprised of 4,134 LF of 8-inch through 12-inch DIP.

The contract was advertised and bids were received at 2:00 PM on Thursday, May 21, 2009, in the following amounts:

<u>Contractor</u>	<u>Bid Amount</u>
1) Iron Mountain Construction Co.	\$ 1,377,124.50
2) Mendon Pipeline	\$ 1,150,070.00
3) Huntley Construction Company	\$ 1,070,930.00
4) DPI Construction	\$ 895,011.75
5) Disaster Recovery Group	\$ 866,597.20
6) T & K Utilities, Inc.:	\$ 799,110.00
7) Buckeye Construction Co., Inc.:	\$ 790,893.50
8) Carolina Specialties, Inc.:	\$ 788,590.55
9) Spur Construction, LLC	\$ 716,336.00
10) Terry Brothers Construction Co., Inc.:	\$ 586,692.00

The apparent low bidder is Terry Brothers Construction with a bid amount of \$586,692.00. Terry Brothers has constructed numerous rehabilitation projects for the District, and has a good performance history.

Please refer to the attached documentation for further details.

FISCAL IMPACT: The District's FY10 construction budget for this project is \$936,000.00. ARRA funding will comprise a 50% principal forgiveness amount, and a 50%, 20 Year, zero-interest loan for the final construction cost.

STAFF RECOMMENDATION: Staff recommends that the Board adopt the attached Resolution of Tentative Award for this project.

**METROPOLITAN SEWERAGE DISTRICT OF
BUNCOMBE COUNTY, NORTH CAROLINA**

LAKE JULIAN SANITARY SEWER REHABILITATION

PRP 47006 Glen Bridge Road, Project No. 2003051

PRP 48002 Long Shoals Road, Project No. 2004028

BID TABULATION

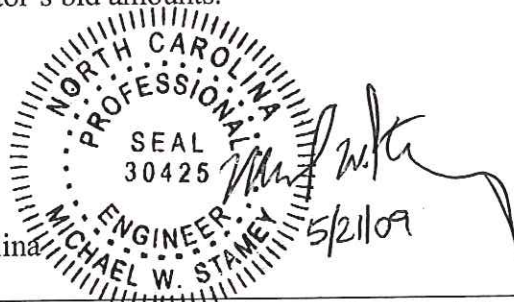
May 21, 2009

BIDDER	BID BOND	MBE FORM	BID FORMS (PROPOSAL)	GLEN BRIDGE ROAD	LONG SHOALS ROAD	COMBINED TOTAL BID AMOUNT
Iron Mountain Construction Co. Mountain City, TN	5%	None	Yes	\$ 516,319.50	\$ 860,805.00	\$ 1,377,124.50
Mendon Pipeline Ghent, WV	5%	2	Yes	\$ 593,890.00	\$ 556,180.00	\$ 1,150,070.00
Huntley Construction Company Asheville, NC	5%	1	Yes	(*) \$ 423,374.00	\$ 647,556.00	(*) \$ 1,070,930.00
DPI Construction Arden, NC	5%	2	Yes	(*) \$ 324,504.45	(*) \$ 570,507.30	(*) \$ 895,011.75
Disaster Recovery Group Arden, NC	5%	1, 3	Yes	(*) \$ 243,377.20	(*) \$ 623,220.00	(*) \$ 866,597.20
T & K Utilities, Inc. Asheville, NC	5%	1	Yes	\$ 317,658.00	\$ 481,452.00	\$ 799,110.00
Buckeye Construction Co. Canton, NC	5%	1, 3	Yes	\$ 318,573.90	\$ 472,319.60	\$ 790,893.50
Carolina Specialties Hendersonville, NC	5%	1	Yes	\$ 306,259.34	\$ 482,331.21	\$ 788,590.55
Spur Construction, LLC Waynesville, NC	5%	1, 3	Yes	\$ 287,902.00	\$ 428,434.00	\$ 716,336.00
Terry Brothers Construction Co. Leicester, NC	5%	1	Yes	\$ 227,967.50	\$ 358,724.50	\$ 586,692.00

APPARENT LOW BIDDER

(*) Indicates correction in Contractor's bid amounts.

Michael W. Stamey, P.E.
Project Engineer
Metropolitan Sewerage District
of Buncombe County, North Carolina



This is to certify that the bids tabulated herein were publicly opened and read aloud at 10:00 AM on the 21st day of May, 2009, in the W. H. Mull Building at the Metropolitan Sewerage District of Buncombe County, Asheville, North Carolina, and that said bids were accompanied by acceptable bidders bonds in the amount of 5% of the bid.

Interoffice Memorandum

TO: Tom Hartye, P.E., General Manager

FROM: Ed Bradford, P.E., CIP Manager
Mike Stamey, P.E., Project Manager

DATE: May 21, 2009

RE: Lake Julian Sewer Rehabilitation (MSD Project No. 2003051 and 2004028)
Funded by the American Recovery and Reinvestment Act

The Lake Julian Sewer Rehabilitation Project is located in Arden at two separate sites. The first site is near the intersection of Glen Bridge Road and Hendersonville Road. It is identified as PRP 47006 Glen Bridge Road (Project No. 2003051). The second site is near the intersection of Long Shoals Road and Hendersonville Road. It is identified as PRP 48002 Long Shoals Road (Project No. 2004028).

The combined project includes approximately 4,134 linear feet of 12-inch, 10-inch, and 8-inch DIP mainline sewer and related apparatus. The proposed replacement sewers are necessary due to repeated overflows, backups, and structural failures associated with the existing line segments.

Ten bids were received on Thursday, May 21, 2009 as follows:

<u>Contractor</u>	<u>Bid Amount</u>
1) Iron Mountain Construction Co.	\$ 1,377,124.50
2) Mendon Pipeline	\$ 1,150,070.00
3) Huntley Construction Company	\$ 1,070,930.00
4) DPI Construction	\$ 895,011.75
5) Disaster Recovery Group	\$ 866,597.20
6) T & K Utilities, Inc.:	\$ 799,110.00
7) Buckeye Construction Co., Inc.:	\$ 790,893.50
8) Carolina Specialties, Inc.:	\$ 788,590.55
9) Spur Construction, LLC	\$ 716,336.00
10) Terry Brothers Construction Co., Inc.:	\$ 586,692.00

The combined FY09/10 construction budget is \$936,000.00 with an anticipated construction date of July, 2009. The estimate utilized for the American Recovery and Reinvestment Act funding is \$1,029,600.00 based on a mandatory 10% contingency, as specified by the Construction Grants and Loans Office of NCDENR DWQ.

Terry Brothers Construction Co., Inc. is the apparent low bidder for this contract with a bid amount of \$586,692.00. Terry Brothers has extensive experience with District rehabilitation projects and has an excellent performance history. Staff recommends tentative award of this contract to Terry Brothers Const. Co., Inc., contingent upon review and approval by District legal counsel, and upon final approval by NCDENR.

RESOLUTION OF TENTATIVE AWARD

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina (MSD) has received bids, pursuant to duly advertised notice therefore, for construction of the Lake Julian Sanitary Sewer Rehabilitation – MSD Project No's 2003051 & 2004028, and

WHEREAS, MSD's Project Engineer, Michael W. Stamey, P.E., has reviewed the bids; and

WHEREAS, Terry Brothers Construction Company, Inc., was the lowest bidder for the Lake Julian Sanitary Sewer Rehabilitation, in the total bid amount of \$586,692.00, and

WHEREAS, the Project Engineer recommends **TENTATIVE AWARD** to the lowest bidder,

NOW, THEREFORE, BE IT RESOLVED that **TENTATIVE AWARD** is made to the lowest bidder in the Total Bid Amount of \$586,692.00.

Name of Contractor	Amount
Terry Brothers Construction Co., Inc.	\$586,692.00

BE IT FURTHER RESOLVED that such **TENTATIVE AWARD** be contingent upon the approval of the North Carolina Department of Environment and Natural Resources.

Upon motion of _____, seconded by _____, the above **RESOLUTION** was unanimously adopted.

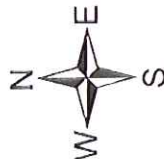
This 10'th day of June, 2009.

Steven T. Aceto, MSD Board Chairperson

(Seal)

Attest:

Jackie W. Bryson, MSD Board Secretary/Treasurer



Lake Julian Sewer Rehabilitation

NOT TO SCALE



METROPOLITAN SEWERAGE DISTRICT
of
BUNCOMBE COUNTY, NORTH CAROLINA

Budget Map

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2009 - 2010

PROJECT:	Long Shoals Road (Allen Ave.) Ph. 3 - PRP 48002	LOCATION:	Arden	REVIEWED BY:
TYPE:	Pipe Rated Projects	DATE OF REPORT:	January-09	EB
PROJECT NO.	2004028	TOTAL L.F.:	3,605	MS
PROJECT BUDGET:	\$1,124,835.00	PROJECT ORIGIN:	Pipe Rating Program	AB

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/08	TOTAL COSTS JULY - DEC 08	EST. COST JAN - JUNE 09	EST. BUDGET FY 09-10
01 - SURVEY / EASEMENT PLATS # PLATS: [18]	\$8,420.00	\$8,420.00			
02 - LEGAL FEES	\$15,000.00	\$13,930.00		\$1,070.00	
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES	\$13,515.00	\$13,515.00			
05 - COMPENSATION	\$340,600.00	\$212,804.00			\$64,000.00
06 - APPRAISAL	\$15,000.00	\$10,200.00			\$2,400.00
07 - CONDEMNATION	\$30,000.00	\$1,241.00	\$40.00		\$5,000.00
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$18,300.00	\$12,885.00	\$390.00		\$5,000.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL					
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$682,000.00			\$129,000.00	\$553,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$2,000.00				\$2,000.00
TOTAL AMOUNT	\$1,124,835.00	\$272,995.00	\$430.00	\$130,070.00	\$631,400.00

ENGINEER:	MSD	ESTIMATED BUDGETS - FY '09 -'18	
CONTRACTOR:		FY 10-11	\$71,200.00
CONSTRUCTION ADMINISTRATION:	MSD	FY 11-12	\$18,700.00
INSPECTION:	MSD	FY 12-13	\$0.00
R.O.W. ACQUISITION:	Martin-McGill	FY 13-14	\$0.00
		FY 14-15	\$0.00
PROJECT NOTES:	Phase 1 (239 LF) was constructed in FY09 by MSD System Services.	FY 15-16	\$0.00
	Phase 2 (1,028 LF) was Pipe Bursted during FY09.	FY 16-17	\$0.00
		FY 17-18	\$0.00
		FY 18-19	\$0.00

METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

CAPITAL IMPROVEMENT PROGRAM

BUDGET DATA SHEET - FY 2009 - 2010

PROJECT: Glenbridge Road (Royal Pines) - PRP 47006				LOCATION: Asheville		REVIEWED BY:
TYPE: Pipe Rated Projects				DATE OF REPORT: January-09		
PROJECT NO.: 2003051				TOTAL L.F.: 2,104		MS
PROJECT BUDGET: \$531,014.00				PROJECT ORIGIN: Pipe Rating Program		AB

DESCRIPTION	ESTIMATED PROJECT COST	TOTAL EXPENDS THRU 6/30/08	TOTAL COSTS JULY - DEC 08	EST. COST JAN - JUNE 09	EST. BUDGET FY 09-10
01 - SURVEY / EASEMENT PLATS # PLATS: [13]	\$9,425.00	\$9,425.00			
02 - LEGAL FEES	\$9,120.00	\$9,120.00			
03 - ENGINEERING ASSISTANCE					
04 - ACQUISITION SERVICES	\$7,577.00	\$7,577.00			
05 - COMPENSATION	\$12,692.00	\$12,692.00			
06 - APPRAISAL					
07 - CONDEMNATION					
08 - ENVIRONMENTAL SURVEY					
09 - PRELIM. ENG. REP.					
10 - DESIGN / ASBUILT SURVEYS	\$16,700.00	\$14,125.00			\$2,600.00
11 - ENVIRONMENTAL ASSESSMENT					
12 - ARCHAEOLOGICAL					
13 - GEOTECHNICAL	\$1,500.00	\$1,500.00			
14 - CONSTRUCTION CONTRACT ADM.					
15 - CONSTRUCTION	\$473,000.00	\$89,880.00	\$750.00		\$383,000.00
16 - PERMITS					
17 - PUBLIC MEETINGS					
18 - TESTING	\$1,000.00				\$1,000.00
TOTAL AMOUNT	\$531,014.00	\$144,319.00	\$750.00	\$0.00	\$386,600.00

ENGINEER: MSD	ESTIMATED BUDGETS - FY '09 - '18	
CONTRACTOR: Hobson Const. (Ph. 1)	FY 10-11	\$0.00
CONSTRUCTION ADMINISTRATION: MSD	FY 11-12	\$0.00
INSPECTION: MSD	FY 12-13	\$0.00
R.O.W. ACQUISITION: Martin-McGill	FY 13-14	\$0.00
	FY 14-15	\$0.00
PROJECT NOTES: Phase I - \$89,880 - 547 L.F.	FY 15-16	\$0.00
Phase II - \$383,000 - 1557 L.F.	FY 16-17	\$0.00
	FY 17-18	\$0.00
	FY 18-19	\$0.00

Metropolitan Sewerage District of Buncombe County BOARD ACTION ITEM

BOARD MEETING DATE: June 10, 2009

SUBMITTED BY: Tom Hartye, P.E. - General Manager

REVIEWED BY: Billy Clarke – District Counsel

PREPARED BY: Ed Bradford, P.E. - Director of CIP
Mike Stamey, P.E. - Project Manager

SUBJECT: Lake Julian Sewer Rehabilitation, American Reinvestment and Recovery Act of 2009 (ARRA): Resolution by Governing Body of Applicant, Federal Project No. 2W370391-11, State Project No. E-SRF-T-09-0184

BACKGROUND: NCDENR requires that the attached resolution be adopted by the District Board. In summary, it addresses the following four items:

- I) The District accepts the loan and grant offer.
- II) The District will adhere to the conditions of the loan and grant.
- III) The General Manager is authorized to act on behalf of the District.
- IV) The District will adhere to all local, state, and federal laws.

Note that NCDENR has directed the District to list the full appropriated offer of \$1,029,600, even though the low bid is about half of this amount.

MSD is eligible to add additional work to this project, under limited conditions, up to the full appropriated amount.

FISCAL IMPACT: Acceptance of an offer of a \$514,800, zero-interest, twenty-year loan, and \$514,800 in principal forgiveness.

Note that a final loan/grant amount will be adjusted down to the low bid, plus any additional amount added, via a Promissory Note and a Final Note.

STAFF RECOMMENDATION: Staff recommends that the Board adopt the attached Resolution by Governing Body of Applicant.

RESOLUTION BY GOVERNING BODY OF APPLICANT

WHEREAS, the North Carolina Clean Water Revolving Loan and Grant Act of 1987 has authorized the making of loans and grants to aid eligible units of government in financing the cost of construction of wastewater treatment works, wastewater collection systems, and water supply systems, water conservation projects, and

WHEREAS, the North Carolina Department of Environment and Natural Resources has offered an American Recovery and Reinvestment Act Revolving Loan in the amount of \$514,800 and a American Recovery and Reinvestment Act Federal Grant in the amount of \$514,800 for the construction of the Lake Julian Sewer Rehabilitation, and

WHEREAS, the Metropolitan Sewerage District of Buncombe County, North Carolina intends to construct said project in accordance with the approved plans and specifications,

NOW, THEREFORE, BE IT RESOLVED BY THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA:

That the Metropolitan Sewerage District of Buncombe County, North Carolina does hereby accept the American Recovery and Reinvestment Act total offer of up to \$1,029,600 (Revolving loan: \$514,800, Grant: \$514,800).

That the Metropolitan Sewerage District of Buncombe County, North Carolina does hereby give assurance to the North Carolina Department of Environment and Natural Resources that all items specified in the (loan/grant) offer, Section II-Assurances will be adhered to.

That Thomas E. Hartye, P.E., General Manager, and successors so titled, is hereby authorized and directed to furnish such information as the appropriate State agency may request in connection with such application or the project; to make the assurances as contained above; and to execute such other documents as may be required in connection with the application.

That the Metropolitan Sewerage District of Buncombe County, North Carolina has substantially complied or will substantially comply with all Federal, State and local laws, rules, regulations, and ordinances applicable to the project and to Federal and State grants and loans pertaining thereto.

Adopted this the Tenth day of June, 2009, at Buncombe County, North Carolina.

ATTEST: BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

Steven T. Aceto, Chairman

Jackie W. Bryson Secretary/Treasurer

APPROVED AS TO FORM:

William Clarke, Legal Counsel
Metropolitan Sewerage District
of Buncombe County, NC

Metropolitan Sewerage District of Buncombe County
BOARD ACTION ITEM

BOARD MEETING DATE: June 10, 2009

SUBMITTED BY: Tom Hartye, P.E. - General Manager

REVIEWED BY: Billy Clarke – District Counsel

PREPARED BY: Scott Powell – Director of Finance
Ed Bradford, P.E. - Director of CIP
Mike Stamey, P.E. - Project Manager

SUBJECT: Lake Julian Sewer Rehabilitation, American Reinvestment and Recovery Act of 2009 (ARRA): Capital Project Ordinance, Federal Project No. 2W370391-11, State Project No. E-SRF-T-09-0184

BACKGROUND: NCDENR requires that the attached Capital Project Ordinance be adopted by the District Board.

NCDENR has directed the District to list the full appropriated offer of \$1,029,600, even though the low bid is about half of this amount.

MSD is eligible to add additional work to this project, under limited conditions, up to the full appropriated amount.

FISCAL IMPACT: The Capital Project Ordinance is for \$1,029,600.00.

Note that the final loan/grant amount will be adjusted down to the low bid, plus any additional amount added, via a Promissory Note and a Final Note.

STAFF RECOMMENDATION: Staff recommends that the Board adopt the attached Capital Project Ordinance for this project.

LAKE JULIAN CAPITAL PROJECT ORDINANCE

BE IT ORDAINED by the Board of the Metropolitan Sewerage District of Buncombe County, North Carolina, that pursuant to Section 13.2 of Chapter 159 of the General Statutes of North Carolina, the following Lake Julian Capital Project Ordinance is hereby adopted:

Section 1. The project authorized is financed in whole or in part by the proceeds of a revolving loan and federal grant or a project involving the construction or acquisition of a capital asset.

Section 2. The following amounts are appropriated for the project:

Capital Expenditures	<u>\$ 1,029,600</u>
-----------------------------	----------------------------

Section 3. The following revenues are anticipated to be available to provide for these expenditures:

American Recovery and Reinvestment Act Revolving Loan	\$ 514,800
American Recovery and Reinvestment Act Federal Grant	<u>\$ 514,800</u>
	<u>\$ 1,029,600</u>

Section 4. The Finance Officer is hereby directed to maintain within the Construction Fund sufficient specified detailed accounting records to satisfy all financial reporting requirements, including grantor agencies, if any.

Section 5. Funds may be advanced from the Operations and Maintenance fund if necessary for the purpose of making payments as due. Reimbursement requests should be made to the grantor agency in an orderly and timely manner.

Section 6. The Finance Officer is directed to include a detailed analysis of past and future costs and revenues on these capital projects in every budget submission made to this Board.

Section 7. Copies of this Lake Julian Capital Project Ordinance shall be furnished to the Secretary of the Governing Board, and to the Finance Officer for direction carrying out these projects.

ADOPTED this Tenth day of June, 2009.

ATTEST: BOARD OF THE METROPOLITAN SEWERAGE DISTRICT OF BUNCOMBE COUNTY, NORTH CAROLINA

Steven T. Aceto, Chairman

Jackie W. Bryson Secretary/Treasurer

APPROVED AS TO FORM:

William Clarke, Legal Counsel
Metropolitan Sewerage District
of Buncombe County, NC

Metropolitan Sewerage District of Buncombe County

BOARD INFORMATIONAL ITEM

Meeting Date: June 10, 2009
Submitted By: Thomas E. Hartye, PE., General Manager
Prepared By: W. Scott Powell, Director of Finance
Subject: Cash Commitment/Investment Report-Month Ended April 30, 2009

Background

Each month staff presents to the Board an investment report for all monies in bank accounts and specific investment instruments. The total investments as of April 30, 2009 were \$37,506,096. The detailed listing of accounts is available upon request. The average rate of return for all investments is 2.919%. These investments comply with North Carolina General Statutes, Board written investment policies and the District's Bond Order.

The attached investment report represents cash and cash equivalents as of April 30, 2009 does not reflect contractual commitments or encumbrances against said funds. Shown below are the total investments as of April 30, 2009 reduced by contractual commitments, bond funds, and District reserve funds. The balance available for future capital outlay is \$11,834,564.

Total Cash & Investments as of 04/30/09	37,506,096
Less:	
Budgeted Commitments (Required to pay remaining FY09 budgeted expenditures from unrestricted cash)	
Construction Funds	(8,430,602)
Operations & Maintenance Fund	(3,369,102)
	(11,799,704)
Bond Restricted Funds	
Bond Service (Funds held by trustee):	
Funds in Principal & Interest Accounts	(1,558,909)
Debt Service Reserve	(5,000,206)
Remaining Principal & Interest Due	(3,904,487)
	(10,463,602)
District Reserve Funds	
Fleet Replacement	(1,030,687)
WWTP Replacement	(866,694)
Maintenance Reserve	(804,308)
	(2,701,689)
Staff Funded Employee Medical	(706,537)
Designated for Capital Outlay	11,834,564

Recommendation

None. Information Only.

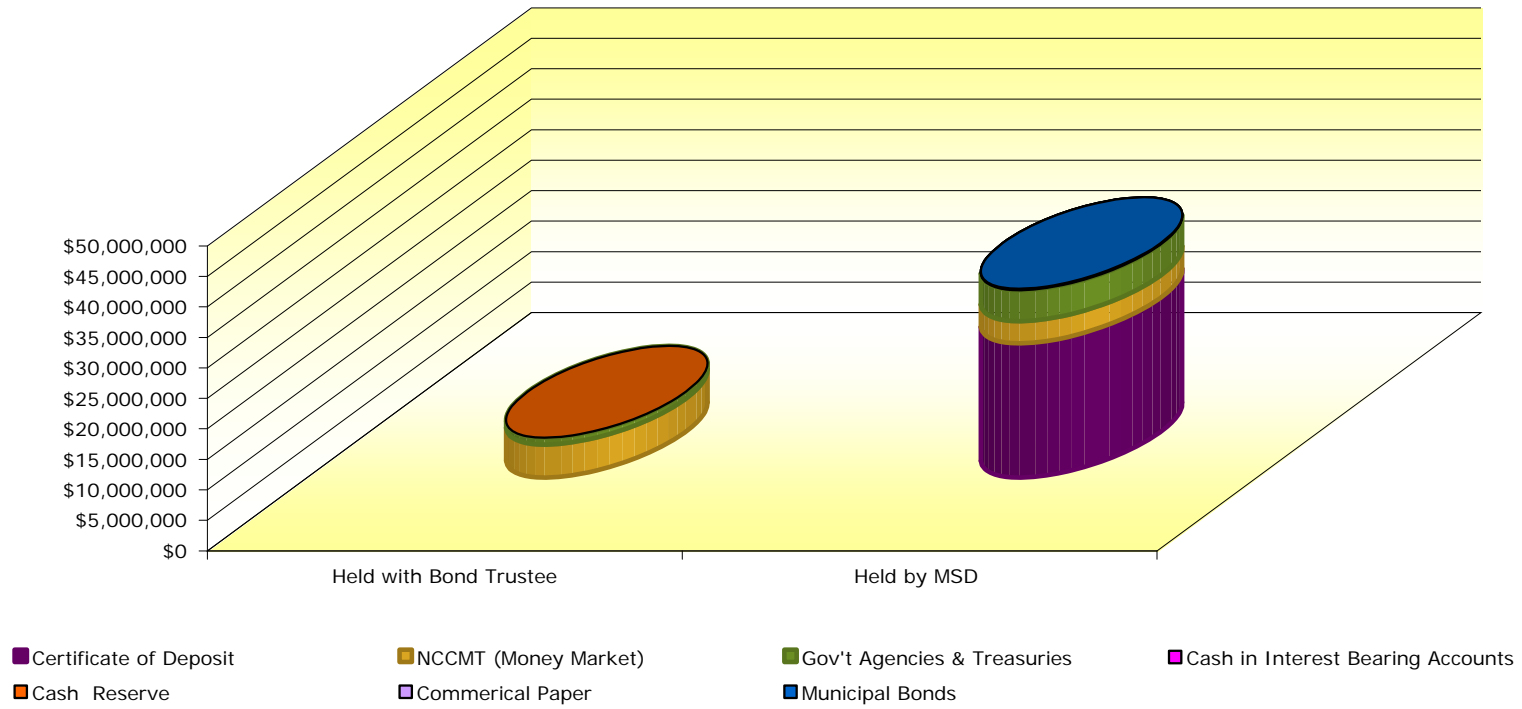
Action Taken

Motion by:	to	Approve	Disapprove
Second by:		Table	Send to Committee
Other:			
Follow-up required:			
Person responsible:			Deadline:

Metropolitan Sewerage District of Buncombe County Investment Portfolio

	Cash in Interest Bearing Accounts	NCCMT (Money Market)	Certificate of Deposit	Commercial Paper	Municipal Bonds	Cash Reserve	Gov't Agencies & Treasuries	Total
Held with Bond Trustee	\$ -	\$ 5,430,456				\$ -	\$ 1,128,659	\$ 6,559,115
Held by MSD	218,152	3,664,769	22,000,000	-	-	-	5,064,060	30,946,981
	\$ 218,152	\$ 9,095,225	\$ 22,000,000	\$ -	\$ -	\$ -	\$ 6,192,719	\$ 37,506,096

MSD of Buncombe County Investment Portfolio by Location As of April 30, 2009



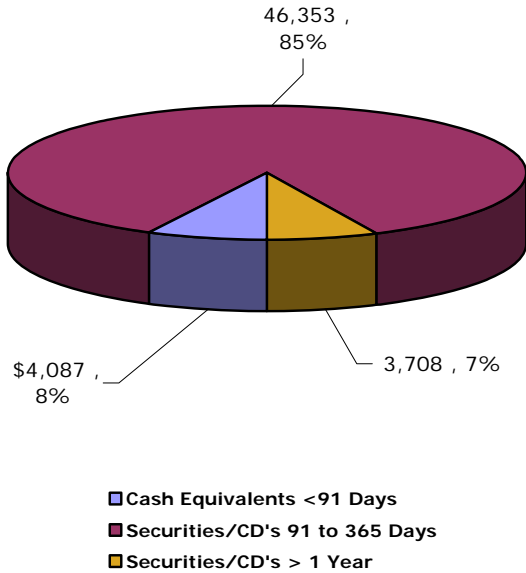
MSD Investment Managers' Report at April 30, 2009

Summary of Asset Transactions				
	Original Cost		Market	
Beginning Balance	\$	29,212,615	\$	29,281,255
Capital Contributed (Withdrawn)		(2,441)		(2,441)
Realized Income		54,148		54,148
Unrealized/Accrued Income		(59,478)		(64,808)
Ending Balance	\$	29,204,844	\$	29,268,154

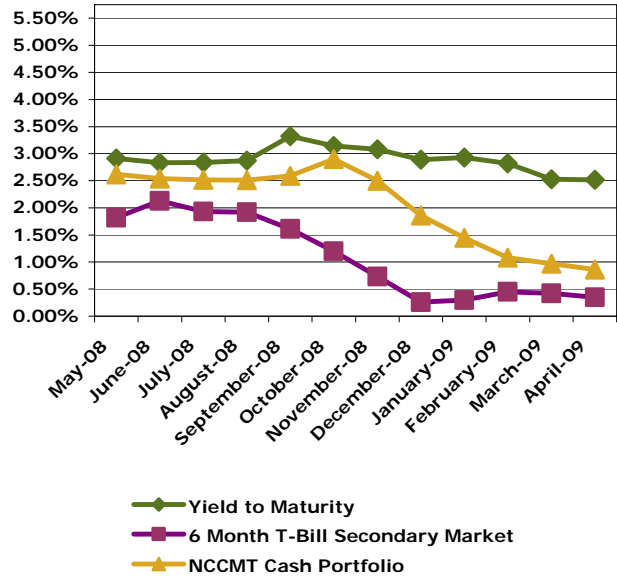
Value and Income by Maturity				
	Original Cost		Income	
Cash Equivalents <91 Days	\$	2,204,094	\$	4,087
Securities/CD's 91 to 365 Days		25,000,750		46,353
Securities/CD's > 1 Year		2,000,000		3,708
	\$	29,204,844	\$	54,148

Month End Portfolio Information	
Weighted Average Maturity	185
Yield to Maturity	2.53%
6 Month T-Bill Secondary Market	0.35%
NCCMT Cash Portfolio	0.86%

Metropolitan Sewerage District of Buncombe Co.
Investment Portfolio Income by Maturity
April 30, 2009

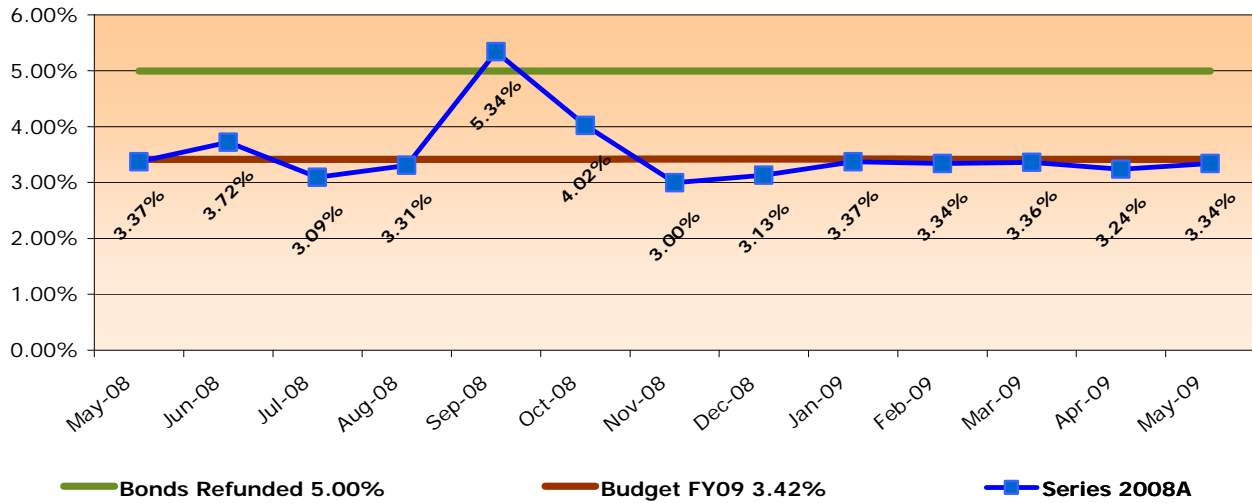


Metropolitan Sewerage District of Buncombe County
Yield Comparison
April 30, 2009



MSD Variable Debt Service Report As of May 31, 2009

Series 2008A Synthetic Fixed Rate Bonds Performance History



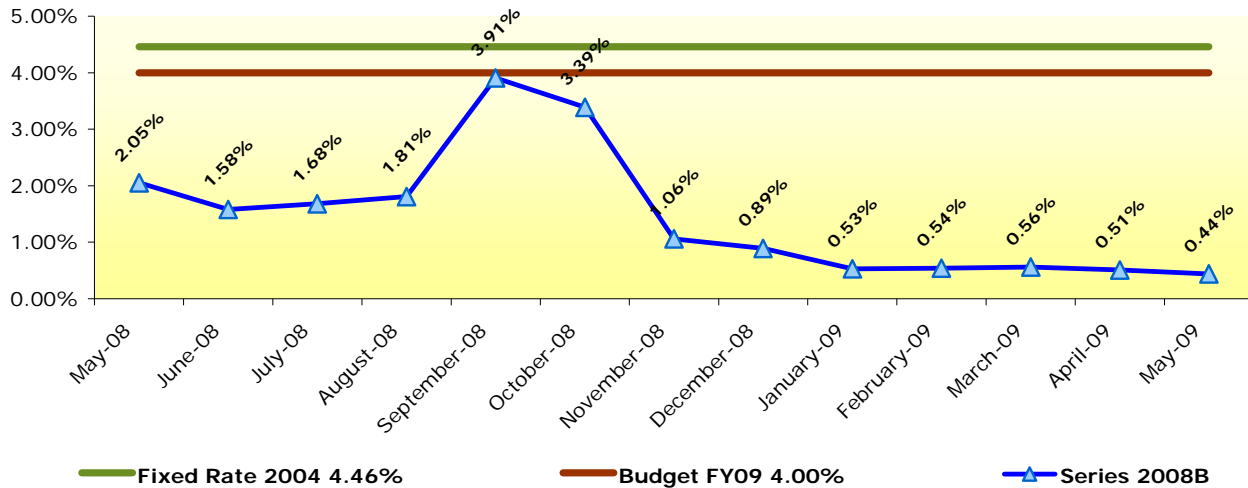
Series 2008A:

Savings to date on the Series 2008A Synthetic Fixed Rate Bonds is \$522,9637 as compared to 4/1 fixed rate of 4.83%.

Assuming that the rate on the Series 2008A Bonds continue at the current all-in rate of 3.7175%. MSD will achieve cash savings of \$5,923,474 over the life of the bonds.

MSD would pay \$4,050,000 to terminate the existing Bank of America Swap Agreement.

2008B Variable Rate Bond Performance History



Series 2008B:

Saving to date on the 2008B Variable Rate Bonds is \$676,460 as compared to 5/1 fixed rate of 4.46%

Since May 1, 2008, the Series 2008B Bonds average variable rate has been 1.50% .

MSD will achieve \$7,098,211 in cash savings over the life of the bonds at the current average variable rate.

PUBLIC HEARING

**RESOLUTION ADOPTING BUDGET AND SEWER USE CHARGES
FOR THE
METROPOLITAN SEWERAGE DISTRICT
OF BUNCOMBE COUNTY, NORTH CAROLINA
FOR THE FISCAL YEAR JULY 1, 2009 THRU JUNE 30, 2010**

WHEREAS, the Board of Directors has reviewed the Operations and Maintenance, Bond, Reserves, and Construction Expenditures of the District and the sources of revenue and allocations (uses) of expenditures for the 2009-2010 fiscal year; and

NOW, THEREFORE, BE IT RESOLVED:

- The following amounts are hereby appropriated in the Revenue Fund for the Operations and Maintenance of the District and for transfers to the debt service and general funds for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Operating and Maintenance Expenses	\$10,775,660
Transfer to insurance accounts	2,528,205
Transfer to Fleet Replacement Reserve	100,000
Transfer to Wastewater Treatment Plant Reserve	<u>200,000</u>
Subtotal O&M	13,603,865
Transfer to Debt Service Fund	<u>8,539,519</u>
	<u>\$22,143,384</u>

It is estimated that the following revenues will be available in the Revenue Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Domestic User Fees	\$23,353,145
Industrial User Fees	1,427,014
Billing and Collection Fees	596,083
Investment Interest	378,505
Reimbursement for Debt Service from COA	37,000
Rental Income	16,560
Grants	2,500
Contribution to Net Assets	<u>(3,667,423)</u>
	<u>\$22,143,384</u>

- The following amounts are hereby appropriated in the General Fund for the transfers to the construction fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Transfer into construction	<u>\$ 382,408</u>
----------------------------	-------------------

It is estimated that the following revenues will be available in the General Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Facility and Tap Fees	\$ 369,250
Investment Income	113,000
Contribution to Net Assets	<u>(99,842)</u>
	<u>\$ 382,408</u>

- The following amounts are hereby appropriated in the Construction Fund for Capital Improvement Plan expenditures for the fiscal year beginning July 1, 2009 and ending June 30, 2010.

Capital Improvements Projects	<u>\$ 20,432,008</u>
-------------------------------	----------------------

It is estimated that the following revenues will be available to the Construction Fund for the Fiscal year beginning July 1, 2009 and ending June 30, 2010.

Revenue Bond Proceeds	\$ 19,000,000
American Recovery and Reinvestment Act Revolving Loan	514,800
American Recovery and Reinvestment Act Federal Grant	514,800
Investment Income	20,000
Transfer from General Fund	<u>382,408</u>
	<u>\$ 20,432,008</u>

4. The following amounts are presented as the financial plan for the Internal Service Funds used to provide insurance services. Estimated operating expenditures for the fiscal year beginning July 1, 2009 and ending June 30, 2010 are:

Operating expenditures	<u>\$ 2,718,725</u>
------------------------	---------------------

It is estimated that the following revenues will be available in the Insurance Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Transfer in from the Revenue Fund	\$ 2,528,205
Investment income	15,588
Employee health insurance premiums	333,386
Contributions to Net Assets	<u>(158,454)</u>
	<u>\$ 2,718,725</u>

5. The following amounts are presented as the Financial Plan in the Fleet Replacement Fund for the Internal Service Fund serving as capital equipment expenditures for the fiscal year beginning July 1, 2009 and ending June 30, 2010 are estimated as follows::

Capital equipment	<u>\$ 453,000</u>
-------------------	-------------------

It is estimated that the following revenues will be available in the Fleet Replacement Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Transfer in from the Revenue Fund	\$ 100,000
Sale of surplus property	81,540
Investment income	23,000
Appropriated Net Assets	<u>248,460</u>
	<u>\$ 453,000</u>

6. The following amounts are presented as the Financial Plan in the Wastewater Treatment Plant Replacement Fund for the internal service fund designated as expenditures for the fiscal year beginning July 1, 2009 and ending June 30, 2010 are estimated as follows:

Capital equipment	<u>\$ 210,000</u>
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It is estimated that the following revenues will be available in the Wastewater Treatment Plant Replacement Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Transfer in from the Revenue Fund	\$ 200,000
Investment income	<u>10,000</u>
	<u>\$ 210,000</u>

7. The following amounts are hereby appropriated in the Debt Service Fund for principal and interest payments for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Debt Service	<u>\$ 8,539,519</u>
--------------	---------------------

It is estimated that the following revenues will be available in the Debt Service Fund for the fiscal year beginning July 1, 2009 and ending June 30, 2010:

Transfer in from the Revenue Fund	\$ 8,539,519
Investment Income	3,500
Contribution to Net Assets	<u>(3,500)</u>
	<u>\$ 8,539,519</u>

8. That the Board of the Metropolitan Sewerage District does hereby approve an increase in the Budgets to the amount necessary to reflect any contributions to the Debt Service Reserve Fund or Capital Reserve Fund as determined by the Bond Trustee to be necessary to comply with covenants in the Bond Order.

8. The General Manager is hereby authorized to transfer appropriations as contained herein under the following conditions:
 - a. He may transfer amounts without limitation between departments in a fund.
 - b. He may transfer any amounts within debt service and reserve funds designated as excess by the Trustee into another fund.

9. That the attached schedule of fees and charges be adopted as effective July 1, 2009.

10. That this resolution shall be entered in the minutes of the District and within five (5) days after its adoption, copies thereof are ordered to be filed with the Finance and Budget Officer and Secretary of the Board as required by G.S. 159-13 (d).

Adopted this 10th day of June 2009

Steven T. Aceto, Chairman
 Metropolitan Sewerage District of
 Buncombe County, North Carolina

Attest:

Jackie Bryson
 Secretary/Treasurer

Metropolitan Sewerage District
FY 2010 Rates, Fees and Charges
Effective July 1, 2009

	PROPOSED FY 10 RATE
Rate increase	3.75%
Average Monthly Sewer Charge (Without Billing Charges)	\$ 23.81
Average Monthly Sewer Charge (With 1/2 Billing Charges-COA example)	\$ 24.84
Collection Treatment Charge	
Residential & Commercial Volume Charges (per CCF) Inside	\$ 3.64
Industrial Volume Charges (per CCF) Inside	\$ 2.270
Industrial Surcharge for BOD (per lb., BOD >170 mg/l) Inside	\$ 0.378
Industrial Surcharge for TSS (per lb., TSS >170 mg/l) Inside	\$ 0.281
Residential & Commercial Volume Charges (per CCF) Outside	\$ 3.65
Industrial Volume Charges (per CCF) Outside	\$ 2.280
Industrial Surcharge for BOD (per lb., BOD >170 mg/l) Outside	\$ 0.378
Industrial Surcharge for TSS (per lb., TSS >170 mg/l) Outside	\$ 0.281
Base Meter/Maintenance Charge & Billing Fee	
5/8"	\$ 5.61
3/4"	\$ 8.17
1"	\$ 14.47
1 1/2"	\$ 33.17
2"	\$ 58.68
3"	\$ 130.12
4"	\$ 232.17
6"	\$ 523.01
8"	\$ 928.69
10"	\$ 1,454.26
Billing Fee (per bill)	\$ 2.05
Sewer Facility Fees	
Residential	
Per Unit (non-mobile home)	\$ 1,900
Mobile Home	\$ 1,320
Affordable Housing	\$ 490
Nonresidential (modifiable per economic development waiver)	
5/8"	\$ 1,900
3/4"	\$ 2,200
1"	\$ 4,200
1 1/2"	\$ 8,600
2"	\$ 15,200
3"	\$ 34,200
4"	\$ 66,500
6"	\$ 158,200
8"	\$ 180,500
Additions < 1,400 GPD	\$ 660

Note: Facility fees being raised to actual allocated cost at March 2006 over 5 years

A one-year moratorium has been enacted on Facility Fee increase

**Metropolitan Sewerage District
FY 2010 Rates, Fees and Charges
Effective July 1, 2009**

	PROPOSED FY 10 RATE
Sewer Tap Fees	
Tap installed by MSD	\$ 600
Additional Charge for Pavement Disturbance	\$ 2,200
Additional Charge for Boring	N/A
Refund if Boring avoids pavement disturbance	\$ (1,300)
Inspection Fee for Developer-Installed Tap	\$ 140
Manhole Installation/Replacement	
Cost per foot	\$ 250
Pavement replacement (if required)	\$ 1,800
Other Fees	
Allocation Fee	\$ 170
Non-Discharge Permit	\$ 200
Plan Review Fee	\$ 400
Plan re-review Fee	\$ 350
Final Inspection	\$ 350
Pump Station Acceptance Fee	Note 1
Note 1-- See policy for details of computation of O&M and equipment replacement costs for upcoming 20 years;	
50% discount for affordable housing	
Bulk Charges	
Volume Charge for Septic Haulers (per 1000 Gal.)	\$ 45.00
Biochemical Oxygen Demand > 170 mg/l (per lb.)	\$ 0.378
Total Suspended Solids >170 mg/l (per lb.)	\$ 0.281
Returned Check Charge	
Returned Check (per event)	\$ 25.00
Dishonored Draft (per event)	\$ 25.00
Copy and Printing Fees (each)	
8x11 first print of standard GIS inquiry	\$ 1.00
8x14 first print of standard GIS inquiry	\$ 1.00
11x17 first print of standard GIS inquiry	\$ 2.00
24x36 first print of standard GIS inquiry	\$ 7.00
34x44 first print of standard GIS inquiry	\$ 12.00
36x48 first print of standard GIS inquiry	\$ 14.00
8x11, 8x14 and 11x17 copies after first print	N/A
8x11 or 8x14 copies after first print	\$ 0.11
11x17 copies after first print	\$ 0.20
24x36 copies after first print	\$ 0.94
34x44 copies after first print	\$ 1.76
36x48 copies after first print	\$ 2.03
Foam Core mounting per sq. foot	\$ 3.00
Data CD	\$ 30.00
Shipping for CD	\$ 5.00

STATUS REPORTS

CAPITAL IMPROVEMENT PROGRAM

STATUS REPORT SUMMARY

Current as of June 3, 2009

PROJECT	AWARD DATE	NOTICE TO PROCEED	*COMPLETION DATE	*CONTRACT AMOUNT	*COMPLETION STATUS (WORK)	COMMENTS
BEECH GLEN DRIVE FOUR INCH MAIN	3/26/2009	4/20/2009	7/18/2009	\$115,830.00	95%	Informal Final inspection is complete. Contractor working on punch list.
DORCHESTER AVENUE FOUR INCH MAIN	3/26/2009	5/4/2009	8/1/2009	\$109,079.00	50%	Informal Mainline construction should be complete this week.
GLEN BRIDGE ROAD (PRP 47006)	TBA	TBA	TBA	TBA	0%	Formal Project was bid on May 21st. Terry Brothers Construction Company is the apparent low bidder. Project will be presented at the June Board meeting.
GRINDSTAFF ROAD (PRP 11008)	3/26/2009	5/4/2009	8/1/2009	\$40,971.00	0%	Informal No work has begun yet.
HAYWOOD STREET @ INDIGO HOTEL	12/17/2008	1/19/2009	4/18/2009	\$70,436.00	98%	Formal Project is complete and in close out.
LONG SHOALS ROAD (PRP 48002)	TBA	TBA	TBA	TBA	0%	Formal Project was bid on May 21st. Terry Brothers Construction Company is the apparent low bidder. Project will be presented at the June Board meeting.
MERCHANT STREET (PRP 34007)	3/26/2009	4/6/2009	7/4/2009	\$135,267.50	98%	Informal Pipeline construction is complete. Restoration, asphalt and final clean up is progressing.
MERRIMON AVENUE @ OTTARI ROAD	1/21/2009	2/9/2009	6/8/2009	\$283,910.00	98%	Formal Pipeline construction is complete. Asphalt replacement and cleanup progressing well.
MONROE PLACE	12/17/2008	1/19/2009	4/18/2009	\$185,990.00	98%	Formal Project is complete and in close out.
REEMS CREEK INTERCEPTOR	9/17/2008	10/9/2008	6/30/2010	\$3,549,320.00	90%	Formal Mainline construction should be complete this week.
REEMS CREEK INTERCEPTOR SEWER EXTENSION PHASE 1	TBA	TBA	TBA	TBA	0%	Informal Bids were opened June 2nd. Terry Brothers Construction Company is the apparent low bidder.
ROGERS PLACE	12/17/2008	1/19/2009	4/18/2009	\$135,253.00	98%	Formal Project is complete and awaiting final inspection.
WEAVERVILLE HIGHWAY @ HILLCREST ROAD	3/26/2009	5/4/2009	8/1/2009	\$40,973.00	0%	Informal No work has begun yet.
WRF - INTERMEDIATE PUMPING REPLACEMENT	TBA	TBA	TBA	TBA	0%	Formal This project is scheduled to bid on June 24th.
WRF - VENTURI REHAB AT INCINERATOR	1/21/2009	2/10/2009	10/7/2009	\$263,000.00	90%	Formal Project substantially complete. All touch up work should be completed this week.

*Updated to reflect approved Change Orders and Time Extensions

Planning and Development Projects
Status Report June 3, 2009

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
	Gene Bradley Subdivision	2004022	Fletcher	9	420	3/3/2005	Complete-Waiting on final documents
	Davidson Road Sewer Extension	2004154	Asheville	3	109	12/15/2004	Complete-Waiting on final documents
	Falconwood Subdivision	2004122	Enka	23	502	12/6/2005	Complete-Waiting on final documents
	Reynolds Mountain Phase IV	1995126	Asheville	37	2,036	7/6/2005	Complete-Waiting on final documents
	Riverbend Urban Village	2004206	Asheville	260	1250	8/29/2006	Complete-Waiting on final documents
	N. Bear Creek Road Subdivision	2005137	Asheville	20	127	7/11/2006	Complete - Waiting on final documents
	Woodfin Manor	2003154	Woodfin	60	575	10/11/2006	Complete - Waiting on final documents
	Willowcreek Village Ph.3	2003110	Asheville	26	597	4/21/2006	Complete - Waiting on final documents
	Westmore Subdivision	2003003	West Asheville	92	1163	8/29/2006	Complete - Waiting on final documents
	Rock Hill Road Subdivision	2005153	Asheville	2	277	8/7/2006	Complete - Waiting on final documents
	Ken Higgins	1999153	Asheville	-	240	6/15/2007	Complete - Waiting on final documents
	Waightstill Mountain Ph.2	2003158	Arden	32	5,011	5/5/2006	Complete - Waiting on final documents
	Jim Beck	2003003	West Asheville	future	75	12/12/2000	Complete - Waiting on final documents
	Holiday Inn	2001068	Asheville	1	474	8/11/2003	Complete - Waiting on final documents
	Bitmore Park Town Square II-4	2007079	Arden	-	481	6/21/2007	Complete - Waiting on final documents
	Byrd Street Condos	2007085	Asheville	14	300	7/31/2007	Complete - Waiting on final documents
	MWB Sewer Extension	2008046	Asheville	Comm.	285	5/12/2008	Complete - Waiting on final documents
	The Cottages on Liberty Green	2007297	Asheville	7	124	5/30/2008	Complete - Waiting on final documents
	Haw Creek Tract	2006267	Asheville	49	1,817	10/16/2007	Complete - Waiting on final documents
	Haywood Village	2007172	Asheville	55	749	7/15/2008	Complete - Waiting on final documents
	Oak Crest Place	2004056	West Asheville	27	791	12/3/2004	Ready for final inspection
	Bell Road	2007159	Black Mtn	5	285	11/28/2007	Punchlist pending
	Buncombe County Animal Shelter	2007216	Asheville	Comm.	78	5/1/2008	Ready for final inspection
	Ridgefield Business Park	2004188	Asheville	18	758	2/16/2005	Complete-Waiting on final documents
			Subtotal	740	18,524		

Planning and Development Projects
Status Report June 3, 2009

Status	Project Name	Project Number	Work Location	Units	LF	Pre-Construction Conference Date	Comments
Under Construction	Buchanan Road	2009005	Asheville	3	392	5/19/2009	Pre-con held, ready for construction
	Crayton Creek Green	2006282	Asheville	10	482	3/15/2007	Ready for final inspection
	Grove Park Cove Subdivision	2004101	Asheville	14	1122	6/28/2006	Pre-con held ready for construction
	The Settings (6 Acre Outparcel)	2004192	Black Mountain	21	623	3/15/2006	Ready for final inspection
	Asheville Ford	2008083	Asheville	Comm.	243	2/16/2009	Pre-con held, ready for construction
	McGinnis Sewer Extension	2004225	Asheville	9	48	5/19/2005	In redesign.
	Falcon Ridge	2004240	Asheville	38	3,279	10/11/2006	Ready for final inspection
	Waightstill Mountain PH-8	2006277	Arden	66	3,387	7/26/2007	testing
	Artisan Park	1998125	West Asheville	133	4,529	4/26/2001	Changed Engineer - work to restart soon
	Brookside Road Relocation	2008189	Black Mtn	n/A	346	1/14/2009	Pre-con held, ready for construction
	Scenic View	2006194	Asheville	48	534	11/15/2006	Ready for final inspection
	Ingles	2007214	Black Mtn.	Comm.	594	3/4/2008	Ready for final inspection
	Bartram's Walk	2007065	Asheville	100	10,077	7/28/2008	testing
	Morgan Property	2008007	Candler	10	1,721	8/11/2008	Pre-con held, ready for construction
	Village at Bradley Branch - Ph. III	2008076	Asheville	44	783	8/8/2008	Installing
	Versant Phase I	2007008	Woodfin	64	12,837	2/14/2007	Ready for final inspection
	Canoe Landing	2007137	Woodfin	4	303	5/12/2008	Ready for construction
	Central Valley	2006166	Black Mtn	12	472	8/8/2007	Punchlist pending
	Hominy Valley Center	2005010	Candler	5	433	8/9/2005	Punchlist pending
	Kenilworth Cottages	2008031	Asheville	11	177	5/12/2008	Ready for construction
	CVS-Acton Circle	2005163	Asheville	4	557	5/3/2006	Ready for final inspection
	Hamburg Mountain Phase 3	2004086	Weaverville	13	844	11/10/2005	Ready for final inspection
	UNCA New Science Building	2005039	Asheville	5	538	10/28/2005	Ready for final inspection
	Bostic Place Sewer Relocation	2005102	Asheville	3	88	8/25/2005	Ready for final inspection
	Kyfields	2003100	Weaverville	35	1,118	5/10/2004	Ready for final inspection
	Brotherton Co-Housing	1999162	West Asheville	32	152	1/24/2003	Ready for final inspection
	Teems Road Subdivision	2007143	Asheville	40	1,308	5/27/2008	Ready for construction
	Thom's Estate	2006309	Asheville	40	3,422	1/24/2008	testing
	Thom's Estate - Phase II	2008071	Asheville	40	3,701	6/10/2008	testing
	Rockwood Apartments	2008109	Asheville	256	4072	1/27/2009	Pre-con held, ready for construction
	Skyland Apartments	2007117	Arden	63	96	4/23/2008	Ready for construction
	Leicester Village Townhomes	2007291	Weaverville	56	427	4/15/2008	testing
	Berrington Village Apartments	2008164	Asheville	308	4,690	5/5/2009	Pre-con held, ready for construction
Lodging at Farm (Gottfried)	2008169	Candler	20	45	6/2/2009	Pre-con held, ready for construction	
Honeysuckle Lane	2007236	Asheville	4	32	6/2/2009	Pre-con held, ready for construction	
North Point Baptist Church	2008105	Weaverville	Comm.	723	5/20/2009	Pre-con held, ready for construction	
Oak Crest Drive	2008138	Asheville	5	290	1/14/2009	Pre-con held, ready for construction	
Forest Manor Complex	2088050	Asheville	Comm.	96	12/4/2008	Installing	
Subtotal				2432	89,247		
Total Units:				3,172			
Total LF:					107,771		